

DELAWARE PUBLIC SERVICE COMMISSION

APPLICATION OF DELMARVA)
POWER AND LIGHT) PSC Docket No. 17-0985
In the matter of the Application for)
Approval of Energy Efficiency Programs)
for Electric Customers)

Direct Testimony of

Robert Underwood

On Behalf of the
Delaware Department of Natural Resources and Environmental Control

November 15, 2017

1 **Q. Please state your name and business address.**

2 A. My name is Robert Underwood and my business address is Delaware Department
3 of Natural Resources and Environment Control, Division of Energy & Climate,
4 100 West Water Street, Suite 5A, Dover, Delaware, 19904.

5 **Q. On whose behalf are you testifying?**

6 A. I am testifying on behalf of the Delaware Department of Natural Resources and
7 Environmental Control (DNREC).

8 **Q. Mr. Underwood, by whom are you employed and in what capacity?**

9 A. I am the Energy Program Administrator at DNREC, Division of Energy &
10 Climate. In this capacity, I support energy policy and programs involving energy
11 efficiency, renewable energy, evaluation and measurement, and building energy
12 codes. I also represent DNREC on the Delaware Energy Efficiency Advisory
13 Council (EEAC) and serve as the Council Chair.

14 **Q. Please summarize your work experience and educational background.**

15 A. I have been with DNREC for the past 12 years which was preceded by 20 years of
16 military service. I received a Bachelor of Science Degree in Environmental
17 Science from Wesley College and a Master of Science in Public Administration
18 and a Master of Business Administration from Wilmington University.

19 **Q. Have you previously testified before the Delaware Public Service**
20 **Commission (“the Commission” or “PSC”)?**

21 A. Yes, I have previously testified on behalf of DNREC pertaining to Delmarva’s
22 docket on Solar Renewable Energy Credits (SRECs)

1 **Q: Can you describe the purpose of your testimony?**

2 A: My testimony is intended to describe the role of the EEAC and how utility-run
3 programs relate to other efficiency programs in Delaware, as well as comment on
4 the appropriateness of Delmarva's proposed programs.

5 **Q. Please describe the role of the Delaware Energy Efficiency Advisory Council**

6 A. The Delaware EEAC was established in 2014 as part of the Delaware Energy Act.
7 (29 Del.C. Chapter 80, Subchapter II). The Act allows electric and gas utilities in
8 Delaware to offer cost-effective energy efficiency programs to customers to meet
9 energy savings targets in Delaware. The Council, which is made up of 13
10 representatives from a range stakeholders, assists utilities with developing and
11 deploying energy efficiency programs and financing mechanisms. The EEAC
12 assists the program administrators to ensure that energy efficiency programs and
13 financing mechanisms in Delaware are cost-effective, reliable, feasible, and
14 include evaluation, measurement, and verification of energy savings.

15 **Q. Please describe the non-utility provided efficiency programs offered in the**
16 **state.**

17 A. DNREC currently runs three efficiency programs. These programs include the
18 Energy Efficiency Investment Fund (EEIF), which provides financial incentives
19 to Delaware businesses, local governments, and non-profits to make efficiency
20 upgrades; the Energy Efficiency Industrial (E2I) program, which works in a
21 similar fashion as EEIF, but targets large energy users in the Delmarva service
22 territory; and the Weatherization Assistance Program (WAP), which provides
23 energy retrofits to low-income homes in Delaware. These programs are funded by

1 the Regional Greenhouse Gas Initiative (RGGI) (a portion of the RGGI funding
2 comes from DNREC and a portion from the Delaware Sustainable Energy Utility
3 (DESEU)), as well as new funding from the Pepco/Exelon merger settlement. In
4 addition, the WAP program receives funding from the Low Income Heating
5 Assistance Program (LIHEAP) and a small amount from Delmarva ratepayer
6 funds. The DESEU also provides a number of energy efficiency programs to
7 Delawareans, which largely support efficiency projects through financing. The
8 DESEU's programs are funded through tax-exempt bonds and leases, RGGI
9 funds, fees and interest on financing, and fees for services.

10 **Q. How do the utility-run programs that come before the EEAC relate to other**
11 **efficiency programs offered in the State?**

12 A. Utility-offered programs, such as those proposed by Delmarva, build on programs
13 and policies that already exist in Delaware. They help to expand efficiency efforts
14 to reach a wider population and provide more benefits to Delawareans from lower
15 energy use. The utility-run efficiency programs are paid for through rate-payer
16 funded cost-recovery. This cost-recovery mechanism was made possible by the
17 Delaware Energy Act and provides a new funding stream for expanded efficiency
18 programs in Delaware.

19 **Q: Do you support the efficiency programs that have been proposed by**
20 **Delmarva?**

21 A: Yes, the programs should be approved for several reasons. Delmarva's proposed
22 programs are well-designed and the proposed cost is reasonable. Also, the EEAC
23 acted in accordance with Title 29 §8059(h)(1) in reviewing the programs and

1 Delmarva's proposal meets the requirements of the legislation. Last, the proposed
2 programs are cost-effective and Delmarva plans to allocate funds for future
3 evaluation efforts in compliance with the EM&V regulations. For additional
4 information on these conclusions, please see the pre-filed testimony of Jeffrey
5 Loiter on behalf of the Delaware EEAC.

6 **Q: Does this conclude your testimony?**

7 A: Yes.